

WASHINGTON STREET  
HOPE CENTER, INC.

Financial Report

Years Ended June 30, 2009 and 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

2/17/10

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Washington Street Hope Center, Inc.  
Marksville, Louisiana


I have audited the accompanying statement of financial position of Washington Street Hope Center, Inc. (a nonprofit organization) as of June 30, 2009 and 2008 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Street Hope Center, Inc. as of June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 16, 2009, on my consideration of Washington Street Hope Center, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Street Hope Center, Inc.'s financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Washington Street Hope Center, Inc. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



**Roy K. Derbonne, Jr.**  
Certified Public Accountant

Alexandria, Louisiana  
November 16, 2009

## **FINANCIAL STATEMENTS**

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

COMPARATIVE STATEMENT OF FINANCIAL POSITION  
As of June 30, 2009 and 2008

ASSETS	2009	2008
Cash	\$ 294,750	\$ 227,289
Receivables		
State Funds	46,500	46,500
Federal Funds	5,390	1,980
Utility Deposits	1,762	1,762
Property and Equipment, Net of Accumulated Depreciation	<u>150,394</u>	<u>171,324</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 498,796</u></b>	<b><u>\$ 448,855</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Payroll Taxes Payable	\$ 2,493	\$ 1,759
Accounts Payable	<u>2,981</u>	<u>6,172</u>
<b>TOTAL LIABILITIES</b>	<b>5,474</b>	<b>7,931</b>
 <b>NET ASSETS</b>		
Unrestricted Net Assets:		
Unrestricted	113,044	79,677
Fixed Assets	<u>150,394</u>	<u>171,324</u>
Total Unrestricted Net Assets	263,438	251,001
Permanently Restricted Assets	<u>229,884</u>	<u>189,923</u>
Total Net Assets	<u>493,322</u>	<u>440,924</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 498,796</u></b>	<b><u>\$ 448,855</u></b>

The accompanying notes are an integral part of this statement

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

	Unrestricted	Permanently Restricted	Totals (Memorandum Only)	
			2009	2008
<b>SUPPORT:</b>				
Contributions	\$ 10,988	\$ 58,444	\$ 69,432	\$ 77,865
<b>REVENUES:</b>				
Federal Grants	-	619,737	619,737	600,690
Program Services	58,660	-	58,660	55,805
Miscellaneous	7,653	273	7,926	8,391
Total Support and Revenue	<u>77,301</u>	<u>678,454</u>	<u>755,755</u>	<u>742,751</u>
<b>FUNCTIONAL EXPENSES:</b>				
Program Services - Hope Center	-	644,732	644,732	600,252
Management and General	58,625	-	58,625	54,088
Total Functional Expenses	<u>58,625</u>	<u>644,732</u>	<u>703,357</u>	<u>654,340</u>
<b>PUBLIC SUPPORT AND OTHER REVENUE OVER EXPENSES</b>	18,676	33,722	52,398	88,411
<b>OTHER CHANGES IN NET ASSETS:</b>				
Operating Transfers	<u>(6,239)</u>	<u>6,239</u>	<u>-</u>	<u>-</u>
<b>TOTAL INCREASE IN NET ASSETS</b>	12,437	39,961	39,961	88,411
<b>NET ASSETS, BEGINNING OF THE YEAR</b>	<u>251,001</u>	<u>189,923</u>	<u>440,924</u>	<u>352,513</u>
<b>NET ASSETS, END OF THE YEAR</b>	<u>\$ 263,438</u>	<u>\$ 229,884</u>	<u>\$ 480,885</u>	<u>\$ 440,924</u>

The accompanying notes are an integral part of this statement

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2008

			Totals (Memorandum Only)	
	Unrestricted	Permanently Restricted	2008	2007
<b>SUPPORT:</b>				
Contributions	\$ 25,189	\$ 52,676	\$ 77,865	\$ 71,449
<b>REVENUES:</b>				
Federal Grants	-	600,690	600,690	573,731
Program Services	55,805	-	55,805	37,353
Miscellaneous	8,391	-	8,391	8,905
Total Support and Revenue	89,385	653,366	742,751	691,438
<b>FUNCTIONAL EXPENSES:</b>				
Program Services - Hope Center	-	600,252	600,252	569,966
Management and General	54,088	-	54,088	28,596
Total Functional Expenses	54,088	600,252	654,340	598,562
<b>PUBLIC SUPPORT AND OTHER REVENUE OVER EXPENSES</b>	35,297	53,114	88,411	92,876
<b>OTHER CHANGES IN NET ASSETS:</b>				
Operating Transfers	220	(220)	-	-
<b>TOTAL INCREASE IN NET ASSETS</b>	35,517	52,894	88,411	92,876
<b>NET ASSETS, BEGINNING OF THE YEAR</b>	215,484	137,029	352,513	259,637
<b>NET ASSETS, END OF THE YEAR</b>	<u>\$ 251,001</u>	<u>\$ 189,923</u>	<u>\$ 440,924</u>	<u>\$ 352,513</u>

The accompanying notes are an integral part of this statement



WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2009

	Program Services Hope Center	Management and General	Totals (Memorandum Only)	
			2009	2008
<b>PAYROLL:</b>				
Salaries	\$ 375,623	\$ -	\$ 375,623	\$ 321,643
Payroll Taxes	30,974	-	30,974	35,573
	<u>406,597</u>	<u>-</u>	<u>406,597</u>	<u>357,216</u>
<b>OTHER:</b>				
Contract Labor	-	16,737	16,737	8,887
Miscellaneous	(73)	2,650	2,577	436
Dues and Subscriptions	-	-	-	988
Utilities	23,454	-	23,454	21,794
Postage	420	-	420	410
Insurance	37,482	-	37,482	30,197
Telephone	7,338	-	7,338	10,442
Maintenance	9,101	3,582	12,683	32,880
Rent	36,000	-	36,000	40,680
		-		
<b>SUPPLIES:</b>				
Food	58,720	95	58,815	54,589
Household	13,275	438	13,713	10,921
Office	5,810	-	5,810	10,014
Medical	210	-	210	580
Literature	9,988	11,119	21,107	19,368
Other	-	-	-	1,503
<b>PROFESSIONAL:</b>				
Accounting and Auditing	5,820	-	5,820	6,000
Medical	19,478	4,069	23,547	20,549
Other	-	2,310	2,310	-
<b>TRAVEL</b>	<u>-</u>	<u>2,022</u>	<u>2,022</u>	<u>2,635</u>
Total Other	227,023	43,022	270,045	272,873
<b>ALLOCATION OF DEPRECIATION</b>	<u>11,112</u>	<u>15,603</u>	<u>26,715</u>	<u>22,909</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 644,732</u>	<u>\$ 58,625</u>	<u>\$ 703,357</u>	<u>\$ 652,998</u>

The accompanying notes are an integral part of this statement

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2008

	Program Services Hope Center	Management and General	Totals (Memorandum Only)	
			2008	2007
<b>PAYROLL:</b>				
Salaries	\$ 321,643	\$ -	\$ 321,643	\$ 294,464
Payroll Taxes	35,573	-	35,573	18,397
	<u>357,216</u>	<u>-</u>	<u>357,216</u>	<u>312,861</u>
<b>OTHER:</b>				
Contract Labor	200	8,687	8,887	4,489
Miscellaneous	(116)	552	436	-
Dues and Subscriptions	38	950	988	1,315
Utilities	21,794	-	21,794	25,366
Postage	410	-	410	868
Insurance	30,197	-	30,197	27,618
Telephone	10,442	-	10,442	5,948
Maintenance	20,785	12,095	32,880	16,281
Miscellaneous	-	-	-	2,932
Rent	39,250	1,430	40,680	62,750
	-	-	-	-
<b>SUPPLIES:</b>				
Food	52,991	1,598	54,589	51,941
Household	10,921	-	10,921	12,146
Office	10,014	-	10,014	5,281
Medical	-	580	580	259
Literature	11,363	8,005	19,368	11,113
Other	-	1,503	1,503	3,280
<b>PROFESSIONAL:</b>				
Accounting and Auditing	6,000	-	6,000	5,650
Medical	18,746	1,803	20,549	21,049
Other	-	1,342	1,342	2,708
<b>TRAVEL</b>	<u>264</u>	<u>2,371</u>	<u>2,635</u>	<u>3,040</u>
Total Other	<u>233,299</u>	<u>40,916</u>	<u>274,215</u>	<u>264,034</u>
<b>ALLOCATION OF DEPRECIATION</b>	<u>9,737</u>	<u>13,172</u>	<u>22,909</u>	<u>21,667</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 600,252</u>	<u>\$ 54,088</u>	<u>\$ 654,340</u>	<u>\$ 598,562</u>

The accompanying notes are an integral part of this statement

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

COMPARATIVE STATEMENT OF CASH FLOWS  
As of June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 52,398	\$ 88,411
ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS:		
Depreciation	26,715	22,909
Changes in Operating Assets and Liabilities:		
Increase in Grant Receivable	(3,410)	(15,450)
Decrease in Other Receivables	-	8,205
Decrease in Accounts Payable	(3,191)	(3,987)
Increase in Payroll Taxes Payable	734	514
Total Adjustments	<u>20,848</u>	<u>12,191</u>
Net Cash Provided by Operating Activities	73,246	100,602
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Net Acquisition of Equipment	<u>(5,785)</u>	<u>(52,276)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,461	48,326
CASH AND CASH EQUIVALENTS, BEGINNING	<u>227,289</u>	<u>178,963</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 294,750</u>	<u>\$ 227,289</u>
Permanently Restricted Assets	<u>229,884</u>	<u>189,923</u>
Total Net Assets	<u>524,634</u>	<u>417,212</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 524,634</u>	<u>\$ 417,212</u>

The accompanying notes are an integral part of this statement

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Washington Street Hope Center, Inc. (the Corporation) was incorporated on July 25, 1988 and is a nonprofit organization as described in IRS Code Section 501(c)(3) which was formed for the purpose of providing a 28-day program of rehabilitation from substance abuse. The Corporation is governed by a board of directors, and employees consisting of two directors, a secretary, a cook, two counselors, and several program technicians.

B. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

D. Description of Programs

Hope Center -

The Hope Center provides long-term, highly structured residential treatment programs for alcoholic and drug dependent men who are economically unable to obtain needed treatment elsewhere. Fees range from assistance provided by the State of Louisiana, Department of Health and Hospitals, Office of Human Services, Division of Alcohol and Drug Abuse to direct payments from individual patients.

E. Donated Services and Materials

Contributions of materials, facilities, and services are recognized if they (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These donated services and facilities were recorded at market value.

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

Notes to Financial Statements (Continued)

F. Fixed Asset Depreciation

Expenditures for physical properties are valued at historical cost and are being depreciated on a straight-line method over the following estimated lives:

Buildings	25 years
Building improvements	10 years
Vehicles & equipment	5 years
Furniture & fixtures	5 years

G. Compensated Absences

The Corporation's policy relating to accumulated unpaid vacation, sick pay and other employee benefits indicates that each employee receives two to four weeks vacation leave each year depending on the length of employment. Employees also receive sick leave as requested each year. Accumulated absences are not accrued in these financial statements, as such amounts were considered immaterial at June 30, 2009 and 2008.

H. Income Taxes

The Corporation is a nonprofit organization and is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

I. Functional Expenses

Functional expenses have been allocated between Program Services and Supporting Services based on an analysis of personal time and space utilized for the related activities.

J. Uncollectible Patient Fees

Uncollectible amounts due for patient fees are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles at June 30, 2009 and 2008 were immaterial.

K. Statement of Cash Flows

The Corporation considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

Notes to Financial Statements (Continued)

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Totals – Memorandum Only

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. In this case, the federal agency restricts the purpose of the support for only the care and treatment of the patients that are assigned by that agency.

(2) Cash

At June 30, 2009 and 2008, the Corporation had cash and interest-bearing deposits (book balances) totaling \$294,750 and \$227,289, respectively. These deposits are stated at cost, which approximates market. These deposits (bank balances) at June 30, 2009 totaled \$303,368 and is fully secured by FDIC insurance. These deposits (bank balances) at June 30, 2008, totaled \$242,349, and \$242,349, and was secured from risk by federal deposit insurance.

(3) Receivables

The following is a summary of receivables at June 30, 2009 and 2008:

	2009	2008
Grant revenue receivable	\$ 46,500	\$ 46,500
Federal Grant Receivable	5,390	1,980
Other receivables	-	-
	<u>\$ 51,890</u>	<u>\$ 48,480</u>

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

Notes to Financial Statements (Continued)

(4) Fixed Assets

A summary of property and equipment at June 30, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Buildings and improvements	\$ 252,974	\$ 252,974
Equipment	86,457	86,169
Vehicles	16,700	16,700
Furniture and fixtures	20,820	15,322
Land	<u>4,000</u>	<u>4,000</u>
	380,951	375,165
Less: accumulated depreciation	<u>(230,557)</u>	<u>(203,841)</u>
Net property and equipment	<u>\$ 150,394</u>	<u>\$ 171,324</u>

(5) Donated Materials, Services, and Capital Expenditures

The value of donated materials, services, and capital expenditures included in the financial statements and corresponding expenditures for the years ended June 30, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Public support restricted (Contributions):		
Donated food supplies	\$ 58,444	\$ 53,365
Donated travel	1,566	2,371
Donated Training	<u>1,225</u>	<u>-</u>
Total public support restricted	<u>\$ 61,235</u>	<u>\$ 55,736</u>
	<u>2009</u>	<u>2008</u>
Expenses:		
Hope Center -		
Food supplies	\$ 58,444	\$ 53,365
Travel	1,566	2,371
Training	<u>1,225</u>	<u>-</u>
Total Hope Center	<u>\$ 61,235</u>	<u>\$ 55,736</u>

(6) Related Party Transactions

- A. James Hamilton is the finance director for Washington Street Hope Center, Inc. For the year ended June 30, 2009 and 2008, Washington Street Hope Center, Inc. purchased \$145 of insurance policies through an insurance company that is owned by Mr. Hamilton's son. This amount was reported as insurance expense.
- B. Jo Hamilton, also a director for Washington Street Hope Center, Inc., leases the Hope Center building personally for \$500 per month.

WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

Notes to Financial Statements (Continued)

(7) Litigation

The Corporation was not involved in any litigation at June 30, 2009.

(8) Federal Awards

The Corporation is funded largely by reimbursements under its contractual agreement with the State of Louisiana Department of Health and Hospitals, and Office of Human Services, which consist of federal funds. These funds are subject to review and audit by the grantor. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of management, the amount of disallowance, if any, would not be significant to the financial statements.

(9) Fair Values of Financial Instruments

The Corporation's financial instruments, none of which are held for trading purposes, include cash and grant receivables. The Corporation estimates that the fair value of all financial instruments at June 30, 2009 and 2008 do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of financial position.



COMPLIANCE  
AND  
INTERNAL CONTROL

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Washington Street Hope Center, Inc.  
Marksville, Louisiana

I have audited the financial statements of the Washington Street Hope Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued my report thereon dated November 16, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Washington Street Hope Center, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Street Hope Center Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

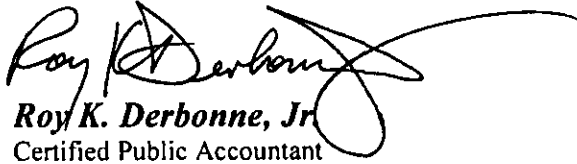
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in

accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors and management, others within the organization and grant awarding agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

  
**Roy K. Derbonne, Jr.**  
Certified Public Accountant

Alexandria, Louisiana  
November 16, 2009

**SINGLE AUDIT**

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Washington Street Hope Center, Inc.  
Marksville, Louisiana

### Compliance

I have audited the compliance of Washington Street Hope Center, Inc., with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. Washington Street Hope Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its each of its major federal program is the responsibility of Washington Street Hope Center, Inc.'s management. My responsibility is to express an opinion on Washington Street Hope Center, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washington Street Hope Center, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Washington Street Hope Center, Inc.'s compliance with those requirements.

In my opinion, Washington Street Hope Center, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The results of my auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

### Internal Control Over Compliance

The management of Washington Street Hope Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Washington Street Hope Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect

on the major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Washington Street Hope Center, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirements of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely effects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Board of Directors, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

  
Roy K. Derbonne, Jr.  
Certified Public Accountant

Alexandria, Louisiana  
November 16, 2009

WASHINGTON STREET HOPE CENTER, INC.  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
June 30, 2009

	<u>CFDA No.</u>	<u>Receipts</u>	<u>Disbursements</u>
Department of Health and Human Services: Passed Through Louisiana Department of Health and Hospitals:			
Inpatient Treatment Services	93.959	\$ 565,750	\$ 565,750
Department of Health and Human Services: Passed Through Louisiana Department of Health and Hospitals:			
Access Recovery		<u>53,987</u>	<u>52,017</u>
Amounts Per Financial Report		619,737	617,767
Less: Accounts Receivable, End of Year		(51,890)	
Plus: Accounts Receivable, Beginning of Year		<u>48480</u>	

WASHINGTON STREET HOPE CENTER, INC.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

PART I – SUMMARY OF AUDITOR'S RESULTS

The independent auditor's report on the financial statements for the Washington Street Hope Center, Inc. as of June 30, 2009 and for the year then ended expressed an unqualified opinion.

The report on internal control included no reportable conditions.

The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of Washington Street Hope Center, Inc.

Washington Street Hope Center, Inc. had a major program notes as Department of Health and Hospitals, Passed through Louisiana Department of Health and Hospitals, Inpatient Treatment Services and Access to Recovery.

In determining if this program was a major program, I used the threshold of \$500,000.

The results of the audit disclosed no instances of noncompliance with respect to compliance with laws, regulations, contracts, and grants applicable to its major federal program.

Also, no matters were noted involving the internal control over compliance and its operation.

PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

There were no findings for the year ended June 30, 2009.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133

There were no findings for the year ended June 30, 2009.



WASHINGTON STREET HOPE CENTER, INC.  
Marksville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2009

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Date of Completion</u>
	6/30/09	There were no findings and/or comments mentioned in the June 30, 2009 audit.				
	6/30/08	There were no findings and/or comments mentioned in the June 30, 2008 audit.				